

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices

Docket No. CP2020-200

International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail International &
First-Class Package International Service with Reseller Contract 3
(MC2020-176)
Negotiated Service Agreement

PUBLIC REPRESENTATIVE COMMENTS ON POSTAL SERVICE
NOTICE OF FILING MODIFICATION TWO TO AN
INTERNATIONAL PRIORITY AIRMAIL, COMMERCIAL EPACKET,
PRIORITY MAIL EXPRESS INTERNATIONAL & FIRST-CLASS PACKAGE
INTERNATIONAL SERVICE WITH RESELLER CONTRACT 3
NEGOTIATED SERVICE AGREEMENT

(December 20, 2022)

The Public Representative hereby provides comments pursuant to the Commission's Notice in this docket.¹ In that Notice, the Commission reopened the above referenced docket to receive comments from interested persons on a Postal Service Request to continue an International Priority Airmail, Commercial ePacket, Priority Mail Express international & First-Class Package International Service with Reseller Contract.²

In Order No. 5571, Commission approved the addition of the original contract to the competitive products list.³

¹ Notice Initiating Docket(s) for Recent Postal Service Negotiated Service Agreement Filings, December 13, 2022.

² Notice of the United States Postal Service of Filing Modification Two to International Priority Airmail, Commercial ePacket, Priority Mail Express International & First-Class Package International Service with Reseller Contract 5 Negotiated Service Agreement, December 13, 2022. (Notice).

³ Order Adding International Priority Airmail, Commercial ePacket, PMEI, PMI, and FCPIS with Reseller Contracts to the Competitive Product List, June 30, 2020. (Order No. 5571)

This is the second modification the Postal Service has filed in this docket. The first modification was approved by the Commission on January 21, 2021.⁴

The Postal Service states that the agreement that is the subject of this docket is set to expire February 28, 2023. Notice at 1. The intended effective date of this Modification is January 22, 2023. Id. Furthermore, the Modification shall remain in effect until May 31, 2024. The Modification revises Articles 2, 3, 7, 8, 10, 12, 14, 20, and 22 of the Agreement, changes Article 20 to update the expiration date, and adds Annexes 1B, 2B, 3B, 4B, 5B, 6B, 7B, 8B, and 9B to the Agreement.

COMMENTS

The Public Representative has reviewed the Postal Service's Notice, the Modification, and the supporting financial model filed under seal that accompanied the Notice. Based upon that review, the Public Representative concludes that the Modification should be approved. It appears the prices in the contract as amended by the Modification should continue to generate sufficient revenues to cover costs.

Requirements of 39 U.S.C. § 3633. 39 U.S.C. § 3633 requires that prices for competitive products must cover each product's attributable costs, not result in the subsidization of competitive products by market dominant products, and enable competitive products as a whole to contribute an appropriate share to the institutional costs of the Postal Service. In addition, the Commission requires that each contract included must cover its attributable costs.

The Postal Service's financial model indicates that the negotiated prices in the instant contract as amended by the Modification in this docket should generate sufficient revenues to cover costs and the addition of the contract to the product should also satisfy 39 U.S.C. § 3633.

⁴ Order Approving Modification One to IPA, Commercial ePacket, PMEI, PMI & FCPIS with Reseller Negotiated Service Agreements, January 21, 2021. (Order No. 5824)

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

901 New York Ave. NW
Washington, DC 20268-0001
202-789-6857
Christopher.Mohr@prc.gov

Christopher Mohr
Public Representative